

## Message Text

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PAGE 01 MADRID 07623 142144Z  
ACTION EUR-12

INFO OCT-01 ISO-00 FEA-01 ERDA-07 AID-05 CEA-01  
CIAE-00 COME-00 DODE-00 EB-08 FPC-01 H-02 INR-07  
INT-05 L-03 NSAE-00 NSC-05 OMB-01 PM-05 USIA-15  
OES-07 SP-02 SS-15 STR-05 TRSE-00 ACDA-12 PA-02  
PRS-01 IO-14 NRC-07 /144 W  
-----020373 151020Z /14

R 141645Z OCT 77  
FM AMEMBASSY MADRID  
TO SECSTATE WASHDC 2065  
INFO AMEMBASSY PARIS  
AMEMBASSY VIENNA

UNCLAS MADRID 07623

E.O. 11652: N/A  
TAGS: ENRG, TECH, MNUC, SP  
SUBJECT: SPAIN'S NEW ENERGY PLAN READY FOR CORTES DEBATE

1. SPANISH PRESS REPORTS THAT NEW NATIONAL ENERGY PLAN FOR 1977-87 PERIOD HAS BEEN COMPLETED AT "TECHNICAL LEVEL" AND WILL SHORTLY BE PRESENTED TO CORTES FOR DEBATE AND, HOPEFULLY, APPROVAL. EMPHASIS IN PLAN SAID TO BE "MODERATION" OF ENERGY CONSUMPTION, LARGELY THROUGH RATIONAL PRICE SYSTEM. IN CONTRAST WITH 1973 PLAN, WHICH ONLY TRIED PROJECT FUTURE ENERGY NEEDS, NEW PLAN LINKS ENERGY WITH OVERALL ECONOMIC POLICY, ESPECIALLY BALANCE OF PAYMENTS PROBLEMS. RESULT IS REPORTED SIGNIFICANT REDUCTION OF 1973 PLAN FIGURES IN SPAIN'S CONSUMPTION OF ENERGY THROUGH 1987, REACHING 20 PER CENT LESS IN LATTER YEAR.

2. THREE MAJOR PROBLEMS IN PLAN ("AS YET UNRESOLVED") ARE STRUCTURE AND LOCATION OF HOLDING COMPANY TO COORDINATE OIL SECTOR, ESTABLISH STRICTER CONTROL OF ELECTRIC SECTOR, AND FIND "FORMULA" FOR PRESENTATION OF NUCLEAR OPTION TO  
UNCLASSIFIED

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PAGE 02 MADRID 07623 142144Z

CORTES.

3. PLAN TO INTEGRATE ALL PUBLIC OIL ACTIVITIES, FROM EXPLORATION TO RETAIL SALES, IN VERTICAL HOLDING COMPANY WOULD ENCOMPASS FOLLOWING SPANISH GOVERNMENT FIRMS: CAMPSA, ENPETROL, HISPANOIL, ENIEPSA, PETROLIBER, BUTANO, ASES, ELCANO (PART) AND PETRONOR (PART). NOT YET DECIDED

IS EXACT ORGANIZATIONAL STRUCTURE AND LOCATION. ALTERNATIVES REPORTEDLY UNDER CONSIDERATION ARE TO PLACE "OIL CZAR" IN MINISTRY OF INDUSTRY, IN INSTITUTO NACIONAL DE INDUSTRIA (INI), OR GIVE HIM SEPARATE IDENTITY. IN ANY CASE, PRESS STATES THAT DECISION WILL BE SUBMITTED TO CORTES FOR APPROVAL.

4. OBJECT IN ELECTRICITY SECTOR, WHERE NATIONALIZATION WAS REJECTED FOR "ECONOMIC AND STRATEGIC" REASONS, IS TO PROVIDE BETTER COORDINATION OF PLANNING, INVESTMENT, PRODUCTION AND DISTRIBUTION. MORE ACTIVE GOVERNMENT ROLE IS ESPECIALLY DESIRED WHEN "DEFINING OBJECTIVES" FOR NEW ELECTRICITY CAPACITY.

5. PLAN IS TO PRESENT NUCLEAR OPTION IN "COMPLETE FORM" SO THAT "REPRESENTATIVES OF PEOPLE" CAN DEBATE IT AND DECIDE WHETHER OR NOT SPAIN WILL ADOPT THIS COURSE. AT SAME TIME ATTEMPT WILL BE MADE THROUGH "ADMINISTRATIVE MEANS" TO IMPROVE STRUCTURE FOR AUTHORIZATION AND INSPECTION IN NUCLEAR FIELD.

6. COMMENT: EMBASSY WAS ALREADY AWARE OF REDUCTION IN PROJECTED ENERGY CONSUMPTION AND RELATED REDUCTION IN PLANNED NUCLEAR PROGRAM (SEE MADRID 7250). WE HOPE TO OBTAIN COPY OF NEW PLAN NEXT WEEK AND WILL BE ABLE TO FOCUS ON DETAILS AT THAT TIME. STABLER  
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PAGE 03 MADRID 07623 142144Z

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## Message Attributes

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**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
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**Review Markings:**  
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